

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 SP-03 AID-20 EB-11 NSC-07 RSC-01

CIEP-03 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-03 INR-11 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 L-03 H-03 PA-04 PRS-01 USIA-15 IGA-02 NIC-01

ACDA-19 AGR-20 TAR-02 PM-07 DODE-00 DRC-01 /215 W

----- 062993

R 071232Z SEP 74

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 8015

INFO AMEMBASSY BRASILIA

C O N F I D E N T I A L SECTION 1 OF 2 BUENOS AIRES 6737

E.O. 11652: GDS

TAGS: PFOR, AR

SUBJECT: ASSESSMENT OF ARGENTINE FOREIGN POLICY PROSPECTS

SUMMARY. WITH DEATH OF JUAN PERON, ARGENTINE FOREIGN POLICY HAS LOST SOME OF ITS STEAM. THE SUCCESSOR GOVERNMENT WILL DOUBTLESS TRY TO CARRY OUT PERON'S POLICIES BUT WITHOUT HIS DRIVE. SINCE THEY ALSO LACK HIS SKILL, THIS MAY NOT BE A BAD THING. FURTHER, ARGENTINA IS LIKELY TO BE PREOCCUPIED WITH INTERNAL AFFAIRS FOR SOME TIME TO COME, WITH LITTLE ATTENTION TO SPARE FOR FOREIGN POLICY. IN PART BECAUSE OF INTERNAL PROBLEMS, GOA SEEKS ACCOMMODATION WITH US ON BILATERAL ISSUES AND ALSO WANTS FRIENDLY SOLUTION TO CUBA ISSUE THOUGH IT MAY, DEPENDING ON FUTURE EVENTS, FEEL COMPELLED TO PUBLICLY AND FORCEFULLY DISAGREE WITH US ON MATTER. END SUMMARY

1. AFTER SEVERAL YEARS OF SUFFERING THROUGH A SUCCESSION OF UNIMAGINATIVE AND INEPTLY EXECUTED FOREIGN POLICIES, ARGENTINA, UNDER JUAN PERON, QUICKLY MOVED TO REASSERT THE NATION'S "RIGHTFUL" PLACE IN LATIN AMERICAN AND WORLD AFFAIRS. IN HIS CUBA POLICY, HIS ECONOMIC OPENING TO THE BLOC COUNTRIES, CONFIDENTIAL

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HIS WOOING OF THE "THIRD WORLD" AND HIS EFFORTS TO REGAIN

FOR ARGENTINA A MUCH LARGER IF NOT PREDOMINANT POSITION WITH NEIGHBORING STATES, PERON GAVE TO ARGENTINE DIPLOMACY TWO INGREDIENTS IT HAD LACKED UNDER HIS PREDECESSORS: FIRST, HE PROVIDED DOMESTIC LEADERSHIP WHICH CARRIED THE COUNTRY WITH HIM IN HIS FOREIGN POLICY DEPARTURES; SECONDLY, AND PERHAPS MORE IMPORTANTLY, HE GAVE TO ARGENTINE DIPLOMACY A VISION AND INTELLECTUAL COHERENCE, COUPLED WITH AN ACUTE APPRECIATION OF THE OBTAINABLE, WHICH OTHER LEADERS HAD FAILED TO PROVIDE.

2. WITH PERON GONE, THE PRESENT PROSPECTS FOR A CONTINUATION OF THE DYNAMISM PERON IMPARTED TO FOREIGN POLICY ARE GREATLY DIMINISHED. LIKE THOSE OF BISMARCK, PERON'S HEIRS WILL CLAIM AND INDEED BELIEVE THEY ARE FOLLOWING THE MASTER'S BLUEPRINT. FOLLOW-ON TRADE AGREEMENTS WITH CUBA AND OTHER SOCIALIST COUNTRIES, IDENTIFICATION WITH THIRD WORLD CAUSES AND A STRONG COMMITMENT (AT LEAST VERBALLY) TO LATIN AMERICAN UNITY CAN ALL BE EXPECTED IN THE FORESEEABLE FUTURE. IN PART, THE CONTINUATION OF THE PERON POLICIES IS ATTRIBUTABLE TO MOMENTUM AND TO THE NEED ANY POLICY HAS THESE DAYS TO APPEAR TO HAVE BEEN INITIATED OR ENDORSED BY PERON. IT CAN, HOWEVER, ALSO BE ATTRIBUTED TO THE RELATIVE LACK OF CREATIVITY AND RESOURCEFULNESS AMONG PERON'S FOREIGN POLICY EXECUTORS. IN ADDITION, THE MORE SKILLFUL PROFESSIONALS, SUCH AS VIGNES, EVEN IF MOTIVATED TO CONTINUE INNOVATION, LACK THE DOMESTIC POLITICAL BASE TO PROJECT, MUCH LESS TO IMPLEMENT, NEW POLICIES. THUS, LIKE BISMARCK'S SUCCESSORS, THEY MAY WOODENLY FOLLOW "NEW POLICIES" WITH LESS ENERGY, SKILL AND, ABOVE ALL, VISION, THAN PERON WOULD HAVE APPLIED TO THEM. THAT PERON'S POLICIES WILL BE IMPLEMENTED BY HANDS LESS SURE THAN HIS WOULD BE CAUSE FOR CONCERN IF ARGENTINA WERE TO PURSUE THEM WITH GREAT VIGOR, FOR THAT WOULD CERTAINLY INCREASE THE CHANCES THAT EITHER THROUGH MISCALCULATION OR DESIGN SOME OF THOSE POLICIES MIGHT LEAD TO CONFRONTATIONS WITH THE US AND POSSIBLY WITH NEIGHBORING STATES, SUCH AS BRAZIL. IN FACT, HOWEVER, THE NATURAL PREOCCUPATION WITH DOMESTIC AFFAIRS FOLLOWING THE DEATH OF SO DOMINANT A PERSONALITY AS PERON, DEEPENED BY THE SEVERITY OF THE DOMESTIC PROBLEMS HE LEFT BEHIND, WILL PROBABLY TAKE MOST OF THE STEAM OUT OF ARGENTINA'S FOREIGN POLICY FOR SOME TIME TO COME. INDEED, TO SOME EXTENT IT HAS ALREADY HAD THAT EFFECT. FURTHER THE SHIFT

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WHICH IS NOW TAKING PLACE IN THE GOA TOWARD THE PERONIST "OLD GUARD" MAY WELL GIVE A MORE MEASURED TONE TO ARGENTINE POLICY.

3. ONE MIGHT HAVE EXPECTED THAT FACED WITH GROWING DOMESTIC PROBLEMS, THE GOA (OR CERTAIN OF ITS MEMBERS) WOULD BEGIN TO SEEK "FOREIGN DEVILS" UPON WHOM TO BLAME THEIR PROBLEMS, OR WHO MIGHT BE USED TO DIVERT THE PUBLIC'S ATTENTION FROM TROUBLES AT HOME. TO DATE GOA OFFICIALS, WHILE ISSUING PUBLIC STATEMENTS

REPLETE WITH REFERENCES TO ANTI-NATIONAL FORCES THAT CONSPIRE WITH LOCAL ALLIES AGAINST THE "PATRIA", HAVE NOT YET MOVED BEYOND THIS SOMEWHAT STANDARD RHETORICAL FORMULATION. IT WOULD BE PREMATURE TO CONCLUDE THAT THIS WILL NOT HAPPEN. IT MAY YET. SO FAR, HOWEVER, INDICATIONS ARE THAT THE ENERGIES OF THE CURRENT GOA LEADERSHIP ARE AND WILL BE ALMOST TOTALLY ABSORBED BY EFFORTS TO MAINTAIN POLITICAL STABILITY, KEEP THE ECONOMY AFLOAT AND END THE DEPRECATIONS OF THE TERRORISTS. WE HAD FEARED, FOR EXAMPLE, THAT ECON MINISTER GELBARD, IN AN EFFORT TO STRENGTHEN HIS OWN NATIONALIST CREDENTIALS (AND HIS POSITION VIS-A-VIS LOPEZ REGA) MIGHT LOUDLY MAKE A PUBLIC ISSUE OF DIFFICULTIES ARISING FROM 620 (A) 83) AND THE COUNTERVAILING DUTIES PROBLEM. SO FAR, HE HAS NOT DONE SO. THE FOREIGN MINISTRY, MOREOVER, HAS MADE A CONCERTED EFFORT TO PLAY DOWN BOTH PROBLEMS. NO PUBLICITY HAS BEEN GIVEN TO THE IMPOSITION OF SANCTIONS UNDER 620 (A) (3) OF THE FAA, AND AFTER AN INITIALLY TOUGH STAND ON COUNTERVAILING DUTIES, THE ECON MINISTRY HAS BEEN VERY EAGER TO RESOLVE THE MATTER. THIS MORE COOPERATIVE SPIRIT IN THE ECON MINISTRY APPEARS TO RESULT FROM MINISTER GELBARD'S PREOCCUPATION WITH THE ONGOING POWER STRUGGLE. HE SEEMS TO BELIEVE THAT RAISING PROBLEMS WITH US MIGHT IN FACT SIMPLY SUBJECT HIM TO NEW FIRE FROM HIS ADVERSARIES IN THE CABINET. THERE HAVE BEEN NO INDICATIONS THAT OTHERS IN THE GOVERNMENT WANT TO GO TO THE MAT WITH US ON THESE ISSUES AT THIS TIME.

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ACTION ARA-20

INFO OCT-01 ISO-00 SP-03 AID-20 EB-11 NSC-07 RSC-01

CIEP-03 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-03 INR-11 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 L-03 H-03 PA-04 PRS-01 USIA-15 IGA-02 NIC-01

ACDA-19 AGR-20 TAR-02 PM-07 DODE-00 DRC-01 /215 W

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R 071232Z SEP 74

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 8016

INFO AMEMBASSY BRASILIA

C O N F I D E N T I A L SECTION 2 OF 2 BUENOS AIRES 6737

4. THE CLOSING OF THE EC MARKET TO ARGENTINE BEEF OFFERS A CAST STUDY OF WHAT PERON'S DEATH HAS MEANT FOR ARGENTINE FOREIGN POLICY. THE EC DECISION, WITH ITS SERIOUS REPERCUSSIONS ON DOMESTIC POLICY, IS THE GOA'S MOST SERIOUS FOREIGN POLICY PROBLEM. UNDER PERON, ARGENTINA WOULD HAVE HAD THREE OPTIONS OPEN TO IT; A) BLUSTER AND ISSUE EMPTY THREATS OF REPRISAL AGAINST THE EC TO CURRY FAVOR WITH CERTAIN DOMESTIC GROUPS (BOTH LEFT AND RIGHT), B) ATTEMPT TO PUT TOGETHER A COMMON FRONT OF LA BEEF PRODUCERS TO BRING MORE EFFECTIVE COLLECTIVE PRESSURE ON EC TO CHANGE DECISION, OR C) ENGAGE IN BILATERAL TALKS WITH EC TO LIMIT DAMAGE EC POLICY HAS ON ARGENTINA. WERE PERON ALIVE HE PROBABLY WOULD HAVE CHOSEN THE SECOND OPTION. THE PRESENT GOVERNMENT, HOWEVER, LACKS CLOUT BOTH DOMESTICALLY AND DIPLOMATICALLY TO PUT TOGETHER SUCH A PROGRAM. IT WAS THUS LEFT WITH A CHOICE BETWEEN THE FIRST AND THIRD OPTION. TO ITS CREDIT, THE GOA HAS SO FAR CHOSEN TO FOREGO UNPRODUCTIVE GRANDSTAND PLAY IMPLICIT IN THE FIRST, AND INSTEAD HAS SOUGHT THE QUIET NEOGTIATIONS SUGGESTED BY THE THIRD. SIMILARLY, ON US-GOA ISSUES OF LESS MAGNITUDE THAN THE EC BEEF DECISION (BUT WITH POTENTIAL FOR DISTURBING OUR RELATIONS), SUCH AS CIV AIR AND COUNTERVAILING DUTIES, GOA HAS TAKEN PATH OF QUIET NEGOTIATIONS RATHER THAN CONFIDENTIAL

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CONFRONTATION. THE US OF COURSE BENEFITS FROM A GOA POLICY OF "DIALOGUE" IF, AS WE BELIEVE, IT IMPLIES A CONTINUATION OF ITS WILLINGNESS TO DISCUSS IN A PRIVATE AND BUSINESSLIKE MANNER OUR OUTSTANDING BILATERAL PROBLEMS. ON REVERSE SIDE OF COIN, GOA OFFICIALS HAVE SHOWN AWARENESS AND APPRECIATION OF FACT THAT US IS ALSO SEEKING NO CONFRONTATIONS WITH ARGENTINA AND WISHES TO REACH MUTUALLY SATISFACTORY SOLUTIONS TO OUR PROBLEMS. BOTH SIDES UNDERSTAND THAT ISSUES SUCH AS CIV AIR AND COUNTERVAILING DUTIES ARE COMPLEX ONES IN WHICH EACH SIDE WLL BARGAIN HARD TO PROTECT ITS INTERESTS. HOWEVER, WHILE MATTERS REMAIN IN DIPLOMATIC CHANNELS AND BOTH SIDES HAVE INTERESTS IN SEEKING RESOLUTIONS TO ISSUES THERE IS ROOM FOR OPTIMISM AS TO OUTCOME OF NEGOTIATIONS.

5. CUBA IS A SPECIAL CASE FOR THE GOA, BECAUSE IT IS A MULTI-LATERAL ISSUE THAT HAS AROUSED A HIGH LEVEL OF PUBLIC INTEREST, AND BECAUSE THE GOA WILL HOST THE MARCH MFM. HAVING TAKEN A LEADING ROLE IN EFFORT TO REINTEGRATE CUBA INTO THE INTER-AMERICAN SYSTEM, THE GOA AS IT MOVES TO THE RIGHT AT HOME CANNOT AFFORD TO AT SAME TIME GIVE APPEARANCE OF ABANDONING ITS "PROGRESSIVE" STANCE RE CUBA. ALSO, COMMITMENTS MADE TO OTHER LAS ON THIS ISSUE WILL NOT NOW GO AWAY BECAUSE OF PERON'S DEATH. FURTHER, FON MIN VIGNES IS CLOSELY IDENTIFIED WITH THE

ISSUE OF CUBAN REINTEGRATION AND HIS PERSONAL POLITICAL POSITION
WOULD SUFFER IF HE LOST THE INITIATIVE ON IT. NONETHELESS,
EVEN ON THIS ISSUE THE GOA GIVES NO EVIDENCE OF WANTING TO BEAT
US OVER THE HEAD; RATHER, PREFERRED GOA POSITION IS ONE IN WHICH
US ALLOWS SANCTIONS TO BE LIFTED WITHOUT A BRUISING STRUGGLE
IN EITHER OAS OR MFM.

6. COMMENT. IN SUM, UNLESS SOME PRESENTLY UNFORESEEN DOMESTIC
UPHEAVAL DRASTICALLY ALTERS THE PRESENT BALANCE OF POWER
WITH THE GOA, WE BELIEVE IT WILL IN FORM IF NOT IN SUBSTANCE
HUE CLOSELY TO COURSE SET BY PERON. CUBA QUESTION WAS ONLY MAJOR
ISSUE IN THAT POLICY WHICH PRIMED TO LEAD TO SERIOUS CONFLICTS
OF INTERESTS WITH US. WITH SOME OF THE PUSH GONE OUT OF THIS AND
OTHER INITIATIVES LAUNCHED BY PERON, THE CHANCES THAT WE CAN AVOID
CONFRONTATIONS AND ESTABLISH A MUTUALLY BENEFICIAL RELATIONSHIP
WOULD SEEM TO BE MUCH INCREASED.

NOTE. EMBASSY WILL SHORTLY FOLLOWUP THIS ASSESSMENT WITH ANALYSIS
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OF ROLES IT EXPECTS VIGNES AND GELBARD TO PLAY IN THE EVOLVING
GOA FOREIGN POLICY SCENE.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN POLICY POSITION, POLITICAL SUMMARY
Control Number: n/a
Copy: SINGLE
Draft Date: 07 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: shawdg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BUENOS06737
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740249-0512
From: BUENOS AIRES
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1974/newtext/t19740966/aaaacdtg.tel
Line Count: 250
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 06 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06 SEP 2002 by cunninfx>; APPROVED <26 FEB 2003 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ASSESSMENT OF ARGENTINE FOREIGN POLICY PROSPECTS SUMMARY. WITH DEATH OF JUAN PERON, ARGENTINE FOREIGN POLICY
TAGS: PFOR, AR
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005